

CIT GAP Funds

**Presentation to Commission on Higher Education Reform,
Innovation and Investment**

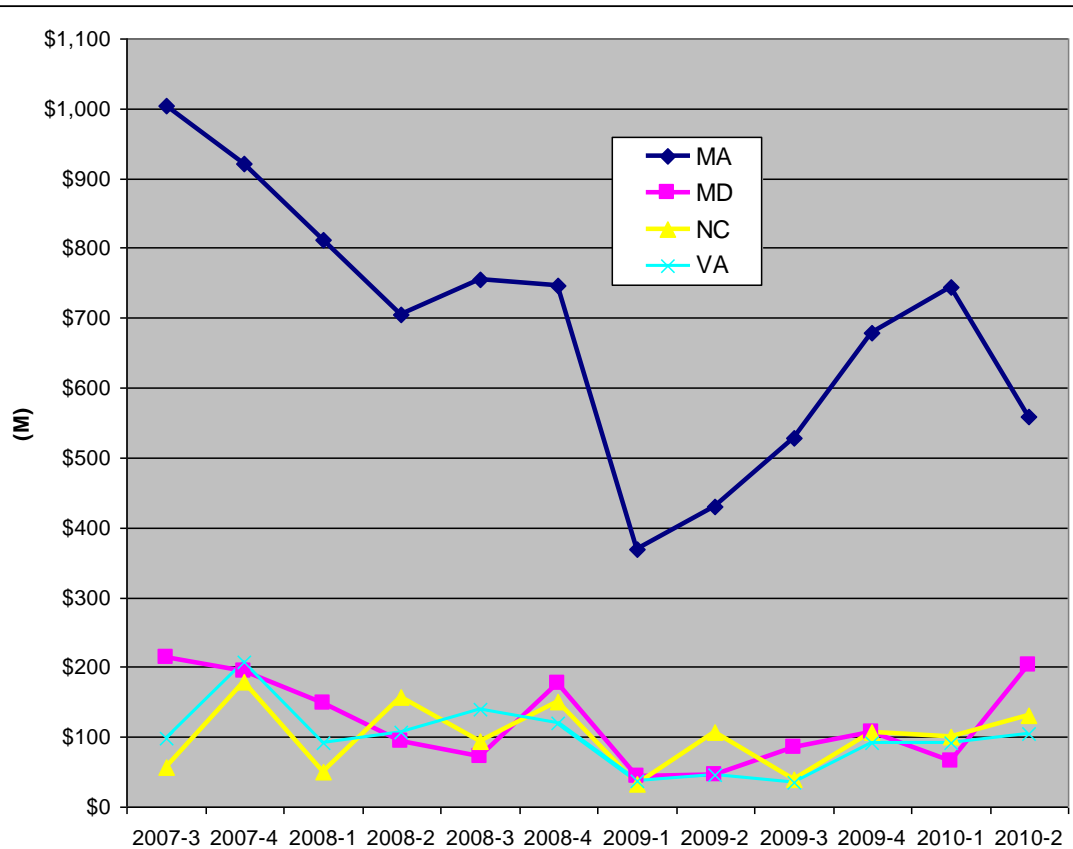
**James Madison University
September 8, 2010**

Tom Weithman
Vice President & Managing Director

Virginia VC v State Comps



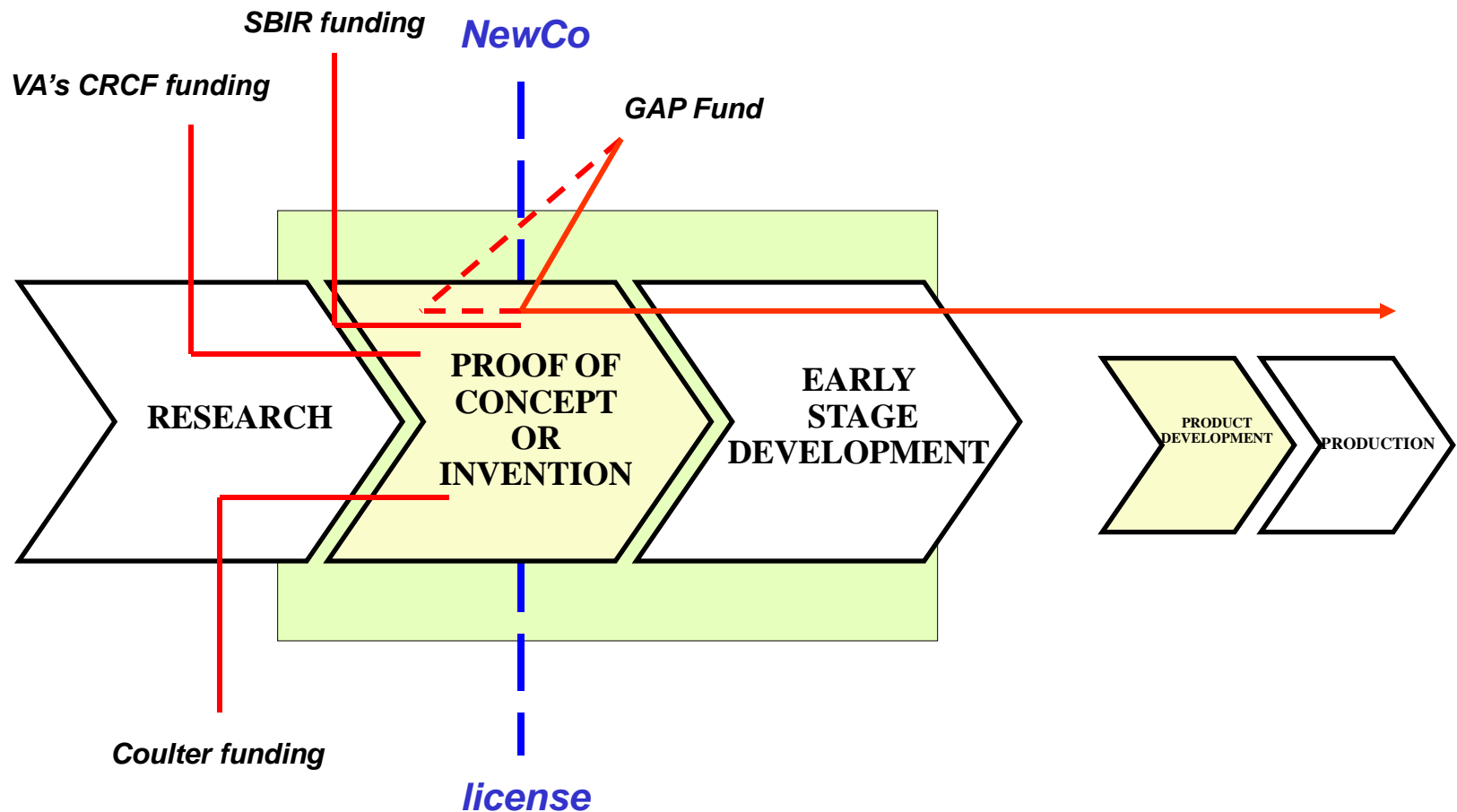
Venture Investments in Companies by State



		5 year total	2008 GSP
—	MD	\$2.7B	\$273.3B
—	NC	\$2.1B	\$400.2B
—	MA	\$14.4B	\$364.9B
—	VA	\$2.1B	\$397.0B

Virginia should be able to at least perform on the MD scale and needs to set MA as the target of opportunity

CIT GAP Funds & NewCo Stages



CIT GAP Funds Overview



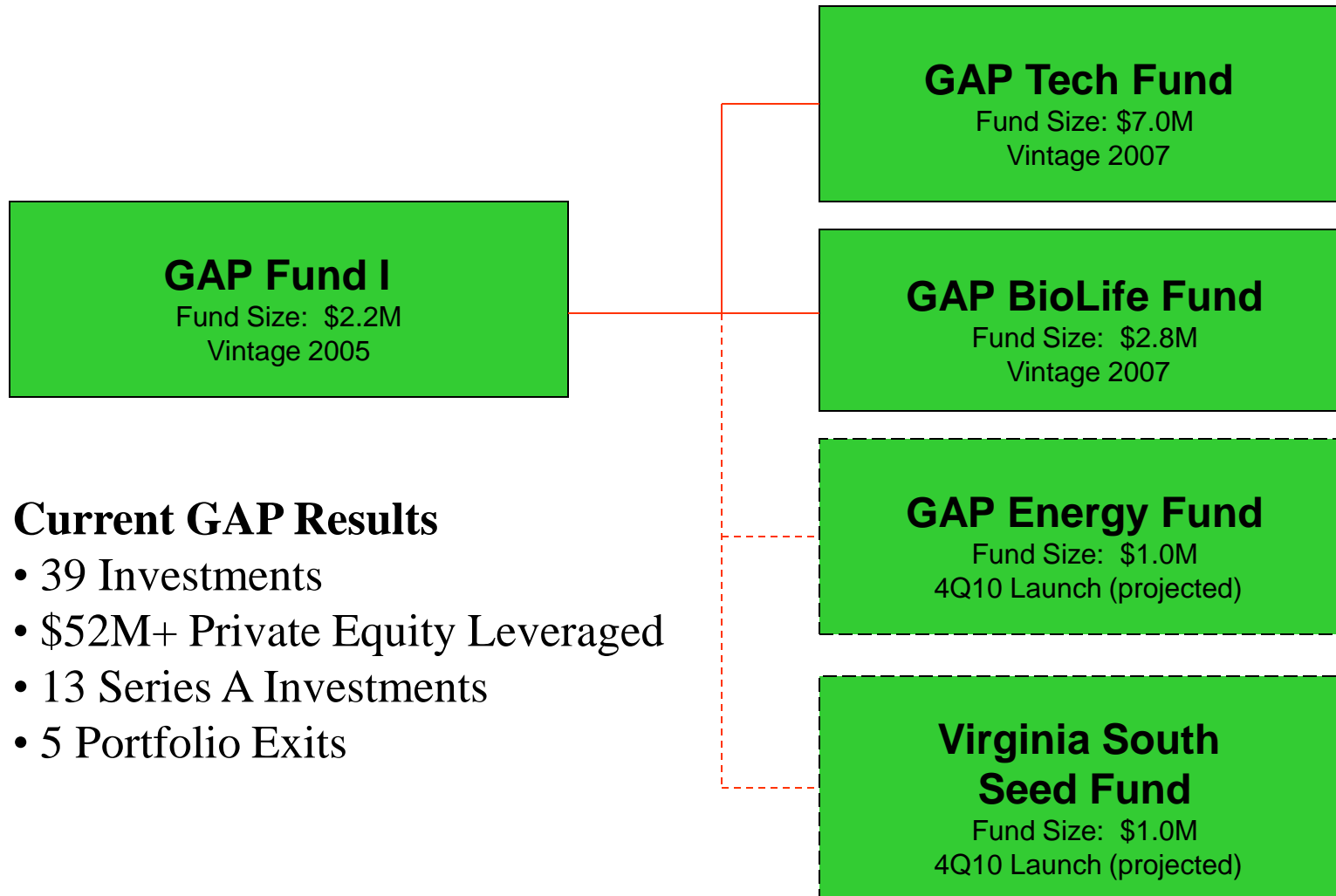
- Family of Seed-Stage Venture Funds
- Virginia Investment Focus
- Spin-Outs from Virginia Research Institutions
- “Double-Bottom Line” Fund
- Deep Engagement with Portfolio Companies

Investment Committee



- New Enterprise Associates
- Grotech
- Intersouth Partners
- HIG Ventures
- Johnson & Johnson
- Tall Oaks Capital
- Carilion Biomedical Institute
- Valhalla Venture Partners
- New Vantage Associates
- Cashed-Out Entrepreneurs

CIT GAP Funds Evolution













Current GAP Results

- 39 Investments
- \$52M+ Private Equity Leveraged
- 13 Series A Investments
- 5 Portfolio Exits

GAP Funds Portfolio – Pre-Series A



 <p>June 26, 2010 Influence Intelligence</p>	 <p>June 23, 2010 Drug discovery</p>	 <p>March 26, 2010 Situational dashboard technology</p>	 <p>December 8, 2009 Care management technology</p>	 <p>May 4, 2009 Referral service</p>	 <p>April 2, 2009 Data management</p>
 <p>July 9, 2008 Power management</p>	 <p>June 30, 2008 Mobile voice authentication</p>	 <p>May 30, 2008 Automates construction process payments</p>	 <p>May 30, 2008 Blood testing for cancer</p>	 <p>May 8, 2008 Forensic monitoring of electronic records</p>	 <p>December 13, 2007 Stream live video via mobile</p>
 <p>November 26, 2007 Business Grade IP Services, offering SIP Trunking and Audio Conferencing</p>	 <p>September 13, 2007 Anti-infective small molecule drug discovery and development</p>	 <p>May 9, 2007 Interconnection material</p>	 <p>April 18, 2007 Renewable resources</p>	 <p>April 3, 2007 Electrical apparatus manufacturing</p>	 <p>December 23, 2005 Optical sensors for low-voltage power use</p>

GAP Funds Portfolio – Series A



April 15, 2008

Soft tissue regeneration
of ACL

Series A 6/30/09



March 12, 2009

Internet clean-room

Series A 3/12/09



December 21, 2006

SAS platform for
distributed workforce
management

Series A 2/4/09



November 14, 2008

Interactive
communications platform

Series A 11/14/08



October 6, 2006

Cell culturing hardware
and growth media

Series A 4/22/08



July 22, 2005

Location based
messaging solutions

Series A 12/17/07



December 22, 2005

Tumor-based cancer
treatment

Series A 10/19/07



September 7, 2006

Secondary electronics
distributor

Series A 9/27/07



November 8, 2006

SAS platform for lead
generation

Series A 4/13/07



April 28, 2005

Technology solutions for
mobile gaming vendors

Series A 9/10/08



December 6, 2005

Enterprise technology
roll-out management
software

Series A 7/17/06

Investment Criteria



Management Team / Founder

- ✓ Full-Time Commitment
- ✓ Integrity
- ✓ Passion
- ✓ Coach-ability
- ✓ Creativity
- ✓ Record of High Achievement

Investment Stage

- ✓ Exclusive Seed Stage Focus
- ✓ 12-36 Months Prior to Series-A
- ✓ Pre-prototype – Pre-Launch Technologies

Investment Range

- ✓ \leq \$100K Alone; $<$ \$500K Syndication
- ✓ \leq \$500K Previous Financing
- ✓ Follow-On Investment Option

Proprietary Advantage

- ✓ Unique Technology
- ✓ Defensible IP Position
- ✓ Difficult-to-Replicate Business Model

Scalability

- ✓ Markets with Big Buying Power
- ✓ Potential for Dominant Market Position
- ✓ Large-Scale Production and Delivery Economies

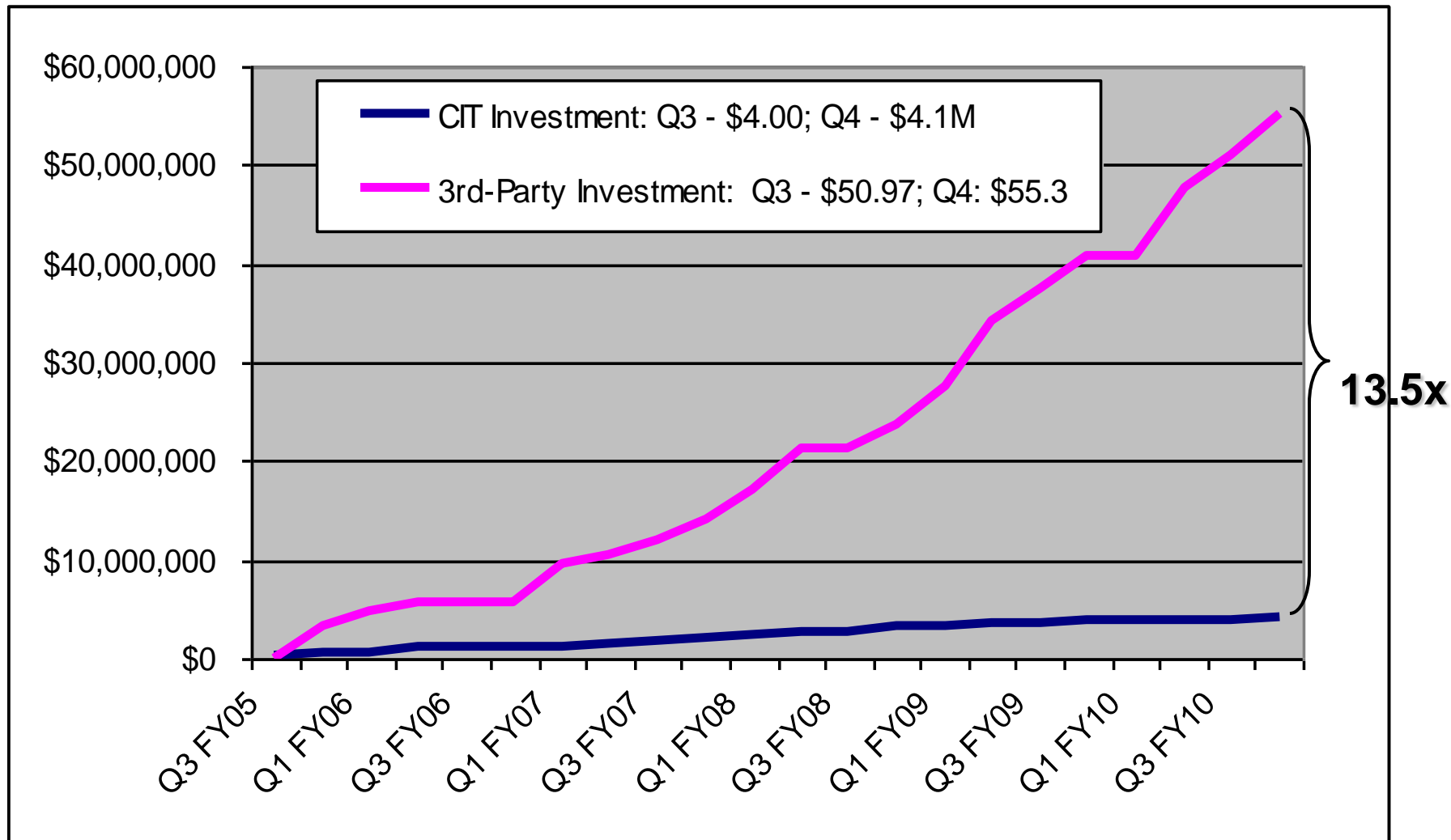
Industries

- ✓ Technology
- ✓ BioLife

Geographic Focus

- ✓ Virginia-Only

GAP Funds – Leverage Value



Track Record



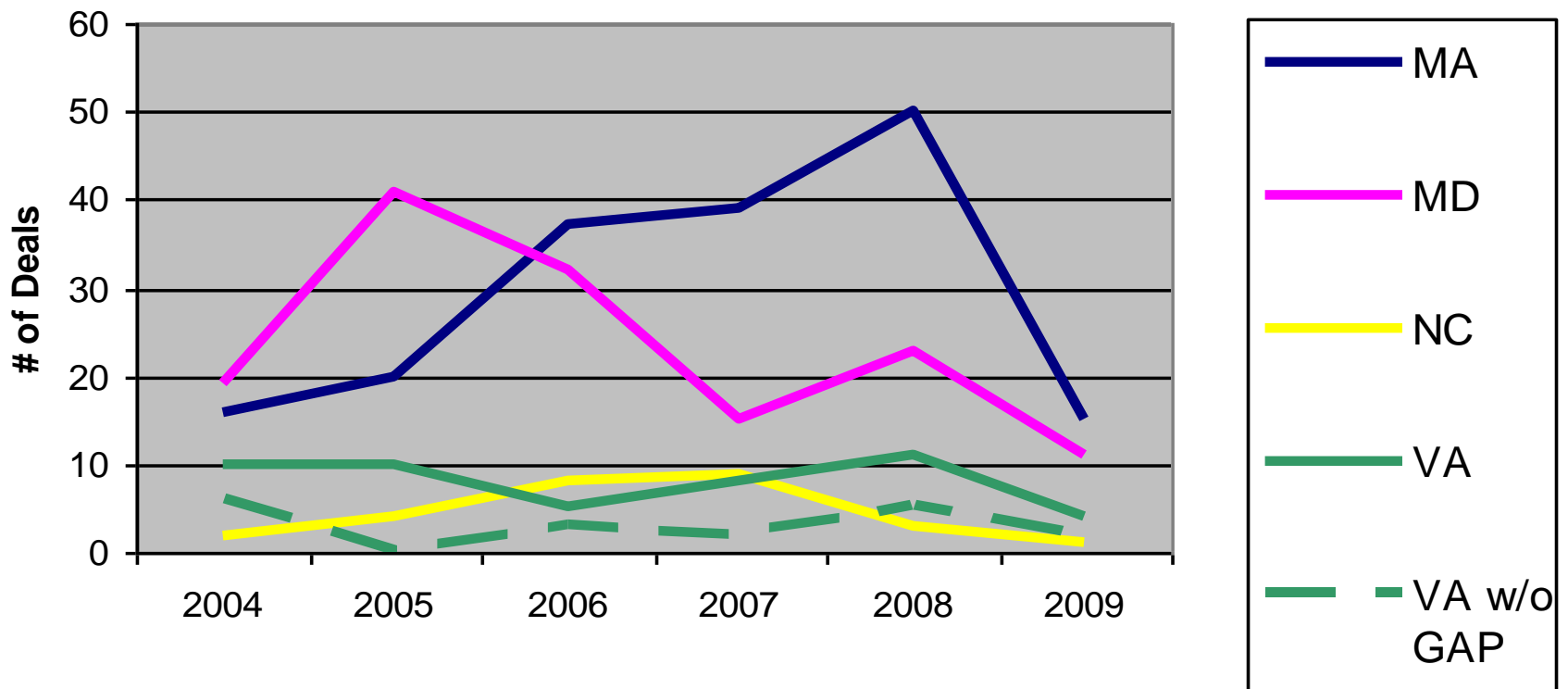
- Transferring and Commercializing IP
- Forming New Companies
- Securing “Next-Round” Financing
- Exiting Portfolio Companies
- Creating Value
 - ✓ Entrepreneurs
 - ✓ Co-Investors
 - ✓ Commonwealth of Virginia
- “Top 100 Venture Fund”

2005-2006 **Entrepreneur.com**

CIT GAP Funds Contribution



Seed/Early Stage Deals Investments – State Comps



Source: PricewaterhouseCoopers/National Venture Capital Association MoneyTree(tm) Report

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